



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES  
DIRECTOR

June 9, 2008

RESUBMITTED: July 17, 2008

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Dedicated State-owned Land  
AuSable State Forest – Crawford County  
Land Transaction Case #19980101

Sale: 1,693 acres, more or less

Description: Crawford County, Grayling Township, T26N, R03W. State-owned land in Sections 20, 29, 32, and 33.

Purchaser: Axiom Entertainment, Inc.

Sale Price: \$5,214,440.00, including transaction fee. Price to be adjusted for any acreage if determined by a survey to be greater than 1,693 acres.

Authority: Part 21, Subpart 10, Act 451, Public Acts of 1994, as amended

Notice: This item will appear on the Department of Natural Resources' (DNR) June 30, 2008 Calendar, and is for information and public comment only. When all requirements have been met, the transaction will be posted in local newspapers as required by legislation.

Comments: In April 2000, the Director authorized the DNR to enter into a Memorandum of Understanding (MOU) with Grayling Industrial Development Committee (now the Crawford County Economic Development Partnership (CCEDP), and Grayling Township.

The MOU provides a vehicle for marketing of the property, review of proposals, and submittal of recommendations to the DNR by Grayling and Crawford County organizations, while at the same time ensuring an open, public process prior to any sale of the land by the DNR.

NATURAL RESOURCES COMMISSION

Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • Darnell Earley • John Madigan • J. R. Richardson • Frank Wheatlake

STEVENS T. MASON BUILDING • P.O. BOX 30028 • LANSING, MICHIGAN 48909-7528

[www.michigan.gov/dnr](http://www.michigan.gov/dnr) • (517) 373-2329

*Great Lakes, Great Times, Great Outdoors!*

Grayling Township and the CCEDP have provided the DNR with their written approval in support of the project, provided it conforms to the MOU and that full financing is in place.

The DNR is working in conjunction with the Michigan Economic Development Corporation (MEDC), the Michigan Department of Environmental Quality, and the Michigan Department of Transportation (MDOT) in evaluating the applicant's proposal.

The Land Exchange Facilitation Fund (LEFF) Act allows the DNR to sell rights in land and deposit the proceeds in a fund, which can then be used to acquire replacement property. Proceeds from the sale will be deposited in the LEFF for acquiring replacement property. The schedule for closing on this transaction will be conducted in such a manner as to correspond with simultaneous acquisition of replacement lands. The deposit into the LEFF of any sale proceeds not immediately utilized will not cause the fund to exceed \$2,500,000.00, as stipulated by legislation.

The conveyance of property in this transaction is to be completed in phases. Closing dates on the phases would be subject to agreement of the parties.

It is contemplated that the MEDC and the MDOT will provide financial support and infrastructure improvements for the project.

**Sale Requirements:**

The sale is contingent upon:

1. The applicant demonstrating financing for the entire project. Such financing will be verified by an independent review.
2. The applicant obtaining all federal and state environmental permits.
3. The property is proposed to be sold in four phases:
  - Phase I – Comprised of one section, 640 acres which represents the main property component for the development of the theme park. A construction benchmark will be established before property in Phase II is released.
  - Phase II – Comprised of 160 acres of industrial at the northern portion of the property, to be used for water and wastewater treatment plants.
  - Phase III – Comprised of three parcels, 600 acres which is zoned for the agricultural component, outdoor amphitheater, resort hotel, additional industrial, 410 acres zoned for the campgrounds and resort hotel, and 60 acres in the northwestern portion of the property which currently is zoned industrial.
  - Phase IV – Comprised of one parcel of 230 acres zoned commercial.
4. Deeds for the entire property and total purchase amount will be held in escrow, and released in accordance with the development plan.
5. A date for commencement of Phase I will be established. If Phase I of the development plan has not commenced by this date, this transaction will be considered terminated, and all escrowed monies and deeds redistributed to the parties.

David E. Freed, Chief  
Land and Facilities

Ronald A. Olson, Chief  
Parks and Recreation

Douglas A. Reeves, Acting Chief  
Wildlife

Lynne M. Boyd, Chief  
Forest, Mineral and Fire Management

Arminda S. Koch  
Resource Management Deputy

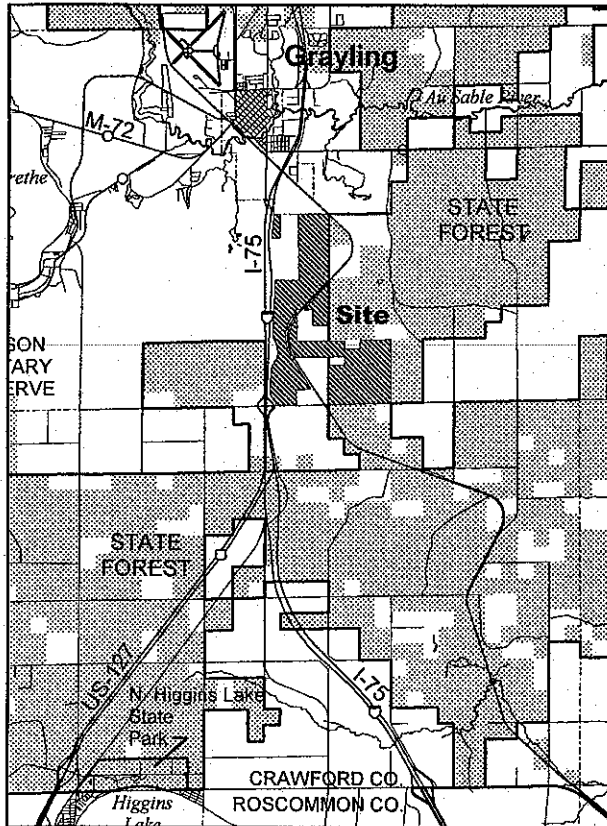
I approve the staff recommendations.

Rebecca A. Humphries  
Director

---

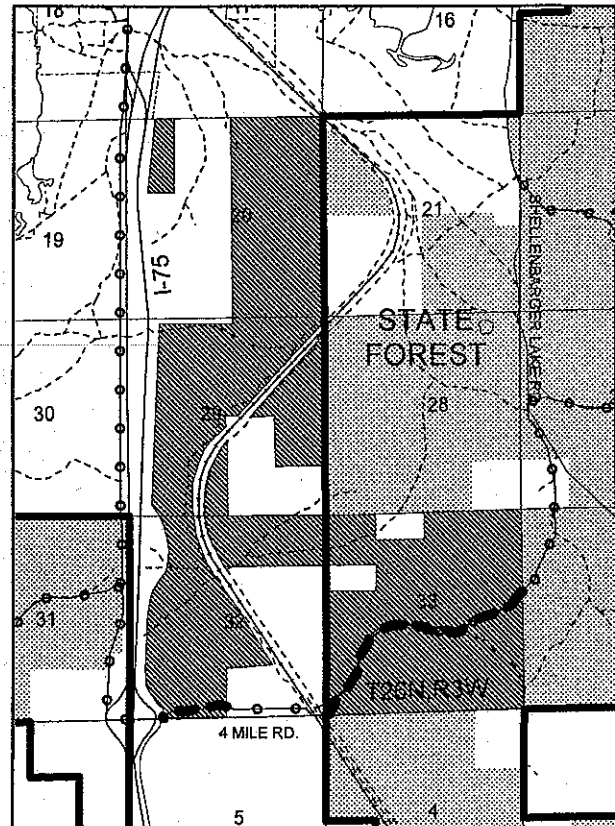
Date Approved

SALE OF DEDICATED STATE-OWNED LAND  
Grayling Management Unit - Crawford County  
Land Transaction Case #19980101



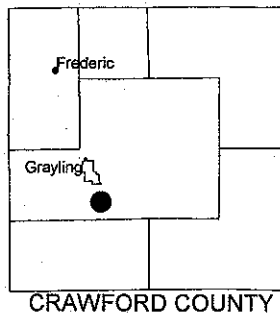
Regional Location

- State Forest or Park Boundary
- ▨ State Land
- Private Land



Sections 20, 29, 32, and 33, T26N, R03W  
Grayling Township

- State Forest Boundary
- Existing Snowmobile Trails
- - Designated Snowmobile Trail, to be Relocated
- ▨ State Land to be Sold  
(1,693 acres, more or less - \$5,214,440.00)
- ▨ State Land
- Private Land



CRAWFORD COUNTY



DNR-FMFM  
Dnrgis1:Com\_Memo1  
memo19980101  
04-01-08, 4:20 pm